

Seventh Amendment to the IME Professional Services, Pharmacy Medical Services Contract

This Seventh Amendment to Contract Number MED-10-001-D for Iowa Medicaid Services, as amended (the "Contract"), between the State of Iowa, Department of Human Services (the "Agency", "Department" or "DHS") and Goold Health Systems, Inc. (the "Contractor") is made pursuant to Section 22.5 of the Contract. This Amendment is effective as of October 1, 2015. This Amendment modifies, to the extent specified below, the terms and conditions of the Contract.

Section 1: Background. The parties are amending the Contract to account for a reduction in Contractor services as a result of Medicaid modernization, with an expected "go live" date of January 1, 2016 for implementation of modernization efforts. This amendment accommodates a reduction in scope beginning the month of "go live," and therefore expected in January 2016, and running through the end of the Contract. Any system changes required will be addressed in a separate CSR.

Section 2: Amendment to Contract Language

The Contract is amended as follows:

Revision 1. Section 6 of the Contract, entitled "Term of the Contract" is hereby amended to read as follows:

The term of the Base Contract is May 1, 2010, through June 30, 2013 with Operations effective July 1, 2010.

The Contract Renewal Option Years will consist of four (4), one (1) year options. The Department may choose to renew the Contract for one (1) or more of the Contract Renewal Option Years. The Department shall have the sole discretion to exercise each renewal option. The Department shall use best efforts to notify the Contractor of the renewal decision ninety (90) days prior to the beginning of each renewal year.

Revision 2. Attached to this Amendment is a document entitled "Attachment 2-1," which is incorporated herein by reference.

Revision 3. Section 5 of the Contract, entitled "Scope of Work and Service Requirements," is hereby amended to read as follows:

Services applicable to all Iowa Medicaid Enterprise (IME) contractors are set forth in Section 6 of the Professional Services RFP MED-10-001 and are incorporated herein by reference. Service requirements and performance standards applicable to the professional services component contractors of the IME are set forth in the Professional Services RFP, MED-10-001. If there are any changes or additions these are found in Contract Attachments 2 and 2-1.

Revision 4: Section 7.1, Performance Based Contract, is hereby amended by adding the following language at the end of the Section:

Notwithstanding the above, the above payment obligations shall terminate as of January 1, 2016. Beginning January 1, 2016, Contractor may invoice the Agency consistent with the monthly "Revised Monthly Fee" values set forth in the table below:

Month	Previous Monthly Fee	Increase or (Reduction) in Fee	Revised Monthly Fee
January 2016	\$126,604.08	(\$ 39,003.79)	\$ 87,600.29
February 2016	\$126,604.08	(\$ 39,003.79)	\$ 87,600.29

March 2016	\$126,604.08	(\$ 39,003.79)	\$ 87,600.29
April 2016	\$126,604.08	(\$ 39,003.79)	\$ 87,600.29
May 2016	\$126,604.08	(\$ 39,003.79)	\$ 87,600.29
June 2016	\$126,604.10	(\$ 39,003.80)	\$ 87,600.30
6-Month Total:	\$759,624.50	(\$234,022.75)	\$525,601.75

Pricing for the additional optional year shall be fixed at \$79,784.00 per month.

The cut-over schedule outlined by the IME may be challenging for some MCOs to meet. Until all MCOs are fully integrated, the Contractor shall be required to bridge any service gap that may result due to MCOs not being fully ready. The "Revised Monthly Fee" during this period shall not be less than the amount calculated by the following formula as determined by MCO readiness at the first of each operational month until all MCOs are on-boarded.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support Value* MCOs Ready)

Example: In January, 3 of 4 potential MCOs are ready to go-live January 1.

MCO Fractional Support Value = (Previous Monthly Fee – Revised Monthly Fee)/ Number of MCOs

MCO Fractional Support Value = (\$126,604.08-\$87,600.29)/ 4 MCOs

MCO Fractional Support Value = \$9,750.95 (if there are 4 MCOs)

Contract Monthly Fee = Previous Monthly Fee – (MCO Fractional Support * MCOs Ready)

Contract Monthly Fee = \$126,604.08 - \$29,252.84

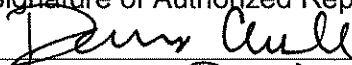
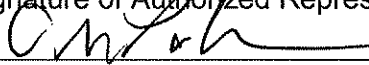
Contract Monthly Fee = \$97,351.24

Section 3: Ratification, Authorization, and Contingency

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This Amendment is contingent upon CMS approval.

Section 4: Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Goold Health Systems, Inc.	Agency, Iowa Department of Human Services
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name: Denise Ceuile	Printed Name: Charles M. Palmer
Title: Asst Secretary	Title: Director
Date: 11/4/15	Date: 12-7-15

Attachment 2-1

The Contractor will provide support of the Medicaid modernization effort underway at the Agency. This effort is expected to “go live” January 1, 2016. However, the elements of this amendment pertaining to scope, timing, and fees may be modified by the State with at least 30 days advance notice. If such notice is provided by the State, the parties shall work in good faith to identify and address impacts to scope, timing and fees, and execute an amendment to the contract.

Staffing

- Overall staffing shall be reduced due to the reduction in volume of calls and Prior Authorizations (PAs).
- At a minimum, the Account Manager shall be located on-site at IME permanent facility.
- Contractor shall add temporary staff to support MCOs with PDL formulary during the transition period.
- Contractor shall phase out pharmacy-support personnel between 1/1/2016 and 4/1/2016. Staffing shall be adjusted based on the following table:

STAFF POSITION	LOCATION	FULL/TEMP	EXISTING STAFF	10/05/15	11/02/15	02/01/16	04/01/16	NET CHANGE	REMAINING STAFF
Pharmacist	Iowa	Full	5.00	0.00	0.00	-2.00	-2.00	-4.00	1.00
Pharmacy Tech	Iowa	Full	5.50	0.00	0.00	-2.00	-1.5	-3.50	2.00
Account Manager	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
DUR Pharmacist	Iowa	Full	1.00	0.00	0.00	0.00	0.00	0.00	1.00
Administrative Assistant	Iowa	Full	0.50	0.00	0.00	0.00	0.00	0.00	0.50
PDL & Formulary Support	Maine	Temp	0.00	1.00	0.00	0.00	-1.00	0.00	0.00
NET CHANGE	N/A	N/A	12.50	1.00	0.00	-4.00	-4.50	-7.50	5.00

Contractor Deliverables

- Contractor shall provide a period of transitional support for pharmacy support to the Agency to acclimate providers and members to the new MCO model. This transitional period shall begin January 2016 and end no later than April 2016.
- Contractor shall supply a basic suite of project management reports to help with the transition.
- Help Desk coverage shall comply with CMS requirements as follows:
 - Prior Authorizations – continued year-round, around the clock support
 - On Call Provider Support – 8:00 AM to 5:00 PM, Monday-Friday
- Continue to perform, for FFS members, all required Pharmacy Medical responsibilities, as outlined in Section 6.3 of the RFP.

Performance Measures

- Unless specifically amended, Contractor shall comply with all Performance Standards outlined in RFP Section 6.3 in relation to services provided pursuant to Attachment 2-1.